

# NEWS RELEASE

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For Immediate Release  
July 8, 2005

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## **FORMER CHAMPAIGN LAWYER CHARGED WITH EMBEZZLING MORE THAN \$500,000**

Urbana, IL: The United States Attorney for the Central District of Illinois, Jan Paul Miller, announced that a federal grand jury has charged a former Champaign, Illinois attorney with embezzling more than \$500,000 from an Urbana healthcare provider. The grand jury returned the ten-count indictment today charging Gary L. Sudeth, age 58, formerly of 1214 Foothill Drive, Champaign, Illinois, with mail fraud and embezzlement from a healthcare provider.

The indictment alleges that Sudeth ran a Champaign, Illinois company known as Allegiance Services, Inc., whose primary business was to collect money from third parties that was owed to clients. According to the indictment, Sudeth signed a contract with Health Alliance Medical Plans, Inc. in July 2000 to collect money on its behalf in return for a percentage of the recovered funds. The indictment alleges that from mid-2001 to May 2003, Sudeth stole and embezzled more than \$500,000 in recovered proceeds for his own use. As part of the scheme to defraud, Sudeth allegedly failed to inform Health Alliance of numerous payments his company received on its behalf and failed to pay Health Alliance its share of the recovered funds.

Following the return of the indictment, the Court ordered that a summons be issued for Sudeth to appear in federal court in Urbana, Illinois at a later date. If convicted, each of the nine counts of mail fraud charged carries a maximum statutory penalty of 20 years imprisonment and a \$250,000 fine.

(More)

If convicted of embezzlement from a healthcare provider, the maximum penalty is 10 years imprisonment and a \$250,000 fine.

The case was investigated by the Federal Bureau of Investigation, and is being prosecuted by Assistant United States Attorneys Richard N. Cox and Timothy A. Bass.

Members of the public are reminded that an indictment is merely an accusation; the defendant is presumed innocent unless proven guilty.

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